

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2018

Consolidated Edison, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-14514
(Commission
File Number)

13-3965100
(IRS Employer
Identification No.)

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

Registrant's telephone number, including area code: (212) 460-4600

Consolidated Edison Company of New York, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-1217
(Commission
File Number)

13-5009340
(IRS Employer
Identification No.)

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

Registrant's telephone number, including area code: (212) 460-4600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 15, 2018, Consolidated Edison, Inc. is issuing a press release and an earnings release presentation regarding, among other things, its results of operations for the three months and year ended December 31, 2017. The press release and the presentation are "furnished" as exhibits to this report pursuant to Item 2.02 of Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 99.1](#)

Press release, dated February 15, 2018, furnished pursuant to Item 2.02 of Form 8-K.

[Exhibit 99.2](#)

Earnings release presentation, dated February 15, 2018, furnished pursuant to Item 2.02 of Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONSOLIDATED EDISON, INC.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By

/s/ Robert Muccilo

Robert Muccilo

Vice President and Controller

Date: February 15, 2018



conEdison, inc.

Media Relations

212 460 4111 (24 hours)

Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

www.conEdison.com

FOR IMMEDIATE RELEASE

February 15, 2018

Contact: Robert McGee
212-460-4111

CON EDISON REPORTS 2017 EARNINGS

NEW YORK - Consolidated Edison, Inc. (Con Edison) (NYSE: ED) today reported 2017 net income of \$1,525 million or \$4.97 a share compared with \$1,245 million or \$4.15 a share in 2016. Adjusted earnings were \$1,264 million or \$4.12 a share in 2017 compared with \$1,198 million or \$3.99 a share in 2016. Adjusted earnings for 2017 exclude the re-measurement of Con Edison's deferred tax assets and liabilities upon enactment of the Tax Cuts and Jobs Act of 2017 (TCJA), the effects of the gain on the sale of a solar electric production project and the net mark-to-market of Con Edison Clean Energy Businesses, Inc. (the Clean Energy Businesses or the CEBs). Adjusted earnings for 2016 exclude the effects of the gain on the sale of the CEBs' retail electric supply business, the goodwill impairment of the CEBs' energy service business and the net mark-to-market of the CEBs.

For the fourth quarter of 2017, net income was \$505 million or \$1.63 a share compared with \$207 million or \$0.68 a share in the fourth quarter of 2016. Adjusted earnings were \$247 million or \$0.80 a share in 2017 compared with \$211 million or \$0.69 a share in 2016. Adjusted earnings for the fourth quarter of 2017 exclude the re-measurement of Con Edison's deferred tax assets and liabilities upon enactment of the TCJA and the net mark-to-market effects of the Clean Energy Businesses. Adjusted earnings for the fourth quarter of 2016 exclude the effects of the gain on the sale of the CEBs' retail electric supply business, the goodwill impairment of the CEBs' energy service business and the net mark-to-market of the CEBs.

"The company's performance was strong in 2017, and we continue to be committed to safety, reliability, and improving the customer experience," said John McAvoy, Con Edison's chairman and CEO. "We are working every day to lead the way to a new energy future that increasingly relies on clean, renewable resources. Our employees also took on both new and unexpected challenges, including performing heroically coming to the aid of hurricane victims in Florida and Puerto Rico."

The following table is a reconciliation of Con Edison's reported earnings per share to adjusted earnings per share and reported net income to adjusted earnings for the three months and the years ended December 31, 2017 and 2016.

	For the Three Months Ended				For the Years Ended			
	Earnings per Share		Net Income (Millions of Dollars)		Earnings per Share		Net Income (Millions of Dollars)	
	2017	2016	2017	2016	2017	2016	2017	2016
Reported earnings per share (basic) and net income (GAAP basis)	\$1.63	\$0.68	\$505	\$207	\$4.97	\$4.15	\$1,525	\$1,245
Gain on sale of the CEBs' retail electric supply business (a)	—	(0.03)	—	(9)	—	(0.19)	—	(56)
Goodwill impairment related to the CEBs' energy service business (b)	—	0.04	—	12	—	0.04	—	12
Gain on sale of the CEBs' solar electric production project	—	—	—	—	—	—	(1)	—
Enactment of the TCJA (c)	(0.84)	—	(259)	—	(0.85)	—	(259)	—
Net mark-to-market effects of the CEBs (d)	0.01	—	1	1	—	(0.01)	(1)	(3)
Adjusted earnings per share and adjusted earnings (non-GAAP basis)	\$0.80	\$0.69	\$247	\$211	\$4.12	\$3.99	\$1,264	\$1,198

(a) After taxes of \$(48) million for the year ended December 31, 2016, which includes an adjustment for the apportionment of state income taxes.

(b) After taxes of \$3 million for the three months and the year ended December 31, 2016.

(c) Upon enactment of the TCJA, Con Edison re-measured its deferred tax assets and liabilities based upon the 21 percent corporate income tax rate under the TCJA. As a result, Con Edison decreased its net deferred tax liabilities by \$5,312 million, recognized \$259 million (or \$0.84 per share and \$0.85 per share for the three months and the year ended December 31, 2017, respectively) in net income, decreased its regulatory asset for future income tax by \$1,250 million, decreased its regulatory asset for revenue taxes by \$90 million and accrued a regulatory liability for future income tax of \$3,713 million. The amounts recognized in net income were \$269 million (or \$0.87 per share and \$0.88 per share for the three months and the year ended December 31, 2017, respectively), \$11 million (or \$0.04 per share for the three months and the year ended

December 31, 2017), and \$(21) million (or \$(0.07) per share for the three months and the year ended December 31, 2017) for the Clean Energy Businesses, Con Edison Transmission, Inc., and the parent company, respectively.

(d) After taxes of \$(2) million for the year ended December 31, 2016.

The company expects its adjusted earnings for the year 2018 to be in the range of \$4.15 to \$4.35 per share. Adjusted earnings per share exclude the Clean Energy Businesses' net mark-to-market effects, the amount of which will not be determinable until year end. The forecast reflects capital investments of \$3,969 million and operations and maintenance expenses of \$3,095 million.

Con Edison plans to meet its 2018 capital requirements through internally-generated funds and the issuance of securities. The company's plans include the issuance of between \$1,300 million and \$1,800 million of long-term debt at the utilities, and the issuance of additional debt secured by its renewable electric production projects. The plans also include the issuance of up to \$450 million of common equity in addition to equity under its dividend reinvestment, employee stock purchase and long term incentive plans. The plans do not reflect the provision to the utilities' customers of any TCJA benefits that the New York State Public Service Commission and the New Jersey Board of Public Utilities may require to be provided.

The results of operations for the three months and the year ended December 31, 2017, as compared with the 2016 periods, reflect changes in rate plans and regulatory charges and the impact of weather on steam revenues. The results of operations also reflect income from renewable investments at the Clean Energy Businesses and income from equity investments at Con Edison Transmission, Inc. Operations and maintenance expenses for Consolidated Edison Company of New York, Inc. (CECONY) for the three months and the year ended December 31, 2017 primarily reflect lower costs for pensions and other postretirement benefits. In addition, the utilities' rate plans provide for revenues to cover expected changes in certain operating costs including depreciation, property taxes and other tax matters. See Attachments B and C to this press release for the estimated effect on earnings per share and net income for the 2017 periods compared to the 2016 periods resulting from these and other factors.

The Company's 2017 Annual Report on Form 10-K is being filed with the Securities and Exchange Commission. Consolidated income statements for 2017 and 2016 are attached to this press release (Attachment A). A 2017 earnings release presentation will be available at www.conedison.com (select "For Investors" and then select "Press Releases").

-more-

This press release contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports the company has filed with the Securities and Exchange Commission, including that the company's subsidiaries are extensively regulated and are subject to penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the intentional misconduct of employees or contractors could adversely affect it; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations; a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect it; it has substantial unfunded pension and other postretirement benefit liabilities; its ability to pay dividends or interest depends on dividends from its subsidiaries; it requires access to capital markets to satisfy funding requirements; changes to tax laws could adversely affect it; its strategies may not be effective to address changes in the external business environment; and it also faces other risks that are beyond its control.

This press release also contains a financial measure, adjusted earnings, that is not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). This non-GAAP financial measure should not be considered as an alternative to net income, which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings excludes from net income the net mark-to-market changes in the fair value of the derivative instruments the Clean Energy Businesses use to economically hedge market price fluctuations in related underlying physical transactions for the purchase or sale of electricity and gas. Adjusted earnings may also exclude from net income certain other items that the company does not consider indicative of its ongoing financial performance. Management uses this non-GAAP financial measure to facilitate the analysis of the company's financial performance as compared to its internal budgets and previous financial results. Management also uses this non-GAAP financial measure to communicate to investors and others the company's expectations regarding its future earnings and dividends on its common stock. Management believes that this non-GAAP financial measure is also useful and meaningful to investors to facilitate their analysis of the company's financial performance.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy-delivery companies, with approximately \$12 billion in annual revenues and \$48 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,300-square-mile-area in southeastern New York State and northern New Jersey; Con Edison Clean Energy Businesses, Inc., which through its subsidiaries develops, owns and operates renewable and energy infrastructure projects and provides energy-related products and services to wholesale and retail customers; and Con Edison Transmission, Inc., which through its subsidiaries invests in electric and natural gas transmission projects.

###

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT

	For the Three Months Ended		For the Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
(Unaudited)				
(Millions of Dollars/Except Share Data)				
OPERATING REVENUES				
Electric	\$2,039	\$2,024	\$8,612	\$8,741
Gas	540	446	2,133	1,692
Steam	147	145	595	551
Non-utility	235	92	693	1,091
TOTAL OPERATING REVENUES	2,961	2,707	12,033	12,075
OPERATING EXPENSES				
Purchased power	348	392	1,601	2,439
Fuel	47	39	216	172
Gas purchased for resale	224	158	808	477
Other operations and maintenance	898	821	3,303	3,269
Depreciation and amortization	342	311	1,341	1,216
Taxes, other than income taxes	558	508	2,155	2,031
TOTAL OPERATING EXPENSES	2,417	2,229	9,424	9,604
Gain on sale of retail electric supply business	—	—	1	104
OPERATING INCOME	544	478	2,610	2,575
OTHER INCOME (DEDUCTIONS)				
Investment income	19	20	79	47
Other income	5	(13)	47	44
Allowance for equity funds used during construction	4	2	11	10
Other deductions	(10)	(6)	(21)	(37)
TOTAL OTHER INCOME	18	3	116	64
INCOME BEFORE INTEREST AND INCOME TAX EXPENSE	562	481	2,726	2,639
INTEREST EXPENSE				
Interest on long-term debt	187	173	726	678
Other interest	—	7	11	24
Allowance for borrowed funds used during construction	(2)	(2)	(8)	(6)
NET INTEREST EXPENSE	185	178	729	696
INCOME BEFORE INCOME TAX EXPENSE	377	303	1,997	1,943
INCOME TAX EXPENSE	(128)	96	472	698
NET INCOME	\$505	\$207	\$1,525	\$1,245
Net income per common share — basic	\$1.63	\$0.68	\$4.97	\$4.15
Net income per common share — diluted	\$1.62	\$0.67	\$4.94	\$4.12
AVERAGE NUMBER OF SHARES OUTSTANDING — BASIC (IN MILLIONS)	310.1	304.8	307.1	300.4
AVERAGE NUMBER OF SHARES OUTSTANDING — DILUTED (IN MILLIONS)	311.8	306.2	308.8	301.9

Variation for the Three Months Ended December 31, 2017 vs. 2016

	Earnings per Share	Net Income (Millions of Dollars)	
CECONY (a)			
Changes in rate plans and regulatory charges			
Timing of recognition of electric annual revenues	\$0.03	\$10	Reflects higher electric net base revenues resulting from the timing of recognition of annual revenues between quarters under the company's new electric rate plan.
Other rate plan changes	0.17	50	Reflects higher electric net base revenues of \$0.02 a share resulting from the increased base rates under the company's new electric rate plan, higher gas net base revenues of \$0.06 a share, growth in the number of gas customers of \$0.01 a share, incentives earned under the Earnings Adjustment Mechanisms of \$0.01 a share and the Energy Efficiency Portfolio Standard of \$0.04 a share, a property tax refund incentive of \$0.01 a share, and lower retention of Transmission Congestion Contract (TCC) auction proceeds of \$(0.01) a share.
Weather impact on steam revenues	0.01	2	
Operations and maintenance expenses	0.06	18	Reflects lower pension and other postretirement benefits costs of \$0.07 a share.
Depreciation, property taxes and other tax matters	(0.21)	(62)	Reflects higher depreciation and amortization expense of \$(0.05) a share, property taxes of \$(0.14) a share, and income taxes of \$(0.02) a share.
Other	—	6	Includes the dilutive effect of Con Edison's stock issuances.
Total CECONY	0.06	24	
Orange and Rockland Utilities, Inc. (O&R) (a)			
Changes in rate plans and regulatory charges	0.02	5	Reflects higher electric and gas net base revenues of \$0.01 a share.
Other	—	1	Includes the dilutive effect of Con Edison's stock issuances.
Total O&R	0.02	6	
Clean Energy Businesses			
Operating revenues less energy costs	0.22	68	Reflects revenues from the engineering, procurement and construction of Upton 2 and higher revenues from renewable electric production projects. Includes \$(0.01) a share of net after-tax mark-to-market losses in 2017.
Operations and maintenance expenses	(0.20)	(60)	Reflects Upton 2 engineering, procurement and construction costs and higher energy service costs.
Depreciation	(0.02)	(4)	
Other	0.90	276	Includes the effect of the TCJA of \$0.87 a share and the dilutive effect of Con Edison's stock issuances. Also includes \$0.03 a share of net after-tax gain related to the sale of the retail electric supply business in 2016 and \$(0.04) a share of impairment of the energy service business in December 2016.
Total Clean Energy Businesses	0.90	280	
Con Edison Transmission, Inc.	0.03	9	Includes the effect of the TCJA of \$0.04 a share. Reflects income from equity investments and the dilutive effect of Con Edison's stock issuances.
Other, including parent company expenses	(0.06)	(21)	Includes the effect of the TCJA of \$(0.07) a share. Reflects higher state income tax benefits and the dilutive effect of Con Edison's stock issuances.
Total Reported (GAAP basis)	\$0.95	\$298	
Gain on sale of the CEBs' retail electric supply business in 2016	0.03	9	
Goodwill impairment related to the CEBs' energy service business in 2016	(0.04)	(12)	
Enactment of the TCJA	(0.84)	(259)	
Net mark-to-market effects of the CEBs	0.01	—	
Total Adjusted (non-GAAP basis)	\$0.11	\$36	

a. Under the revenue decoupling mechanisms in the Utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the Utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

Variation for the Years Ended December 31, 2017 vs. 2016

	Earnings per Share	Net Income (Millions of Dollars)	
CECONY (a)			
Changes in rate plans and regulatory charges	\$0.47	\$143	Reflects higher electric net base revenues of \$0.10 a share resulting from the increased base rates under the company's new electric rate plan, higher gas net base revenues of \$0.21 a share, growth in the number of gas customers of \$0.05 a share, incentives earned under the Earnings Adjustment Mechanisms of \$0.03 a share and the Energy Efficiency Portfolio Standard of \$0.04 a share, a property tax refund incentive of \$0.01 a share, lower retention of TCC auction proceeds of \$(0.03) a share, and an increase to the regulatory reserve related to certain gas proceedings in 2016 of \$0.03 a share.
Weather impact on steam revenues	0.02	6	
Operations and maintenance expenses	0.30	90	Reflects lower pension and other postretirement benefits costs of \$0.29 a share.
Depreciation, property taxes and other tax matters	(0.57)	(170)	Reflects higher depreciation and amortization expense of \$(0.18) a share, property taxes of \$(0.27) a share, and income taxes of \$(0.12) a share.
Other	(0.15)	(21)	Includes the dilutive effect of Con Edison's stock issuances.
Total CECONY	0.07	48	
Orange and Rockland Utilities, Inc. (O&R) (a)			
Changes in rate plans and regulatory charges	0.06	18	Reflects higher electric and gas net base revenues of \$0.01 and \$0.04 a share, respectively.
Operations and maintenance expenses	(0.03)	(9)	Reflects higher pension costs.
Depreciation, property taxes and other tax matters	(0.03)	(6)	
Other	0.01	2	Includes the dilutive effect of Con Edison's stock issuances.
Total O&R	0.01	5	
Clean Energy Businesses			
Operating revenues less energy costs	0.33	99	Reflects revenues from the engineering, procurement and construction of Upton 2 and higher revenues from renewable electric production projects, lower revenues and energy costs resulting from the retail electric supply business that was sold in September 2016. Includes \$0.01 a share net after-tax mark-to market gains in 2016. Substantially all the mark-to-market effects in the 2016 periods were related to the retail electric business sold in September 2016.
Operations and maintenance expenses	(0.30)	(89)	Reflects Upton 2 engineering, procurement and construction costs and higher energy service costs.
Depreciation	(0.06)	(19)	
Net interest expense	(0.02)	(5)	
Other	0.74	228	Includes the effect of the TCJA of \$0.88 a share and the dilutive effect of Con Edison's stock issuances. Also includes \$0.19 a share of net after-tax gain related to the sale of the retail electric supply business in 2016 and \$(0.04) a share of impairment of the energy service business in December 2016.
Total Clean Energy Businesses	0.69	214	
Con Edison Transmission, Inc.	0.08	24	Includes the effect of the TCJA of \$0.04 a share. Reflects income from equity investments and the dilutive effect of Con Edison's stock issuances.
Other, including parent company expenses	(0.03)	(11)	Includes the effect of the TCJA of \$(0.07) a share. Reflects higher state income tax benefits and the dilutive effect of Con Edison's stock issuances.
Total Reported (GAAP basis)	\$0.82	\$280	
Gain on sale of the CEBs' retail electric supply business in 2016	0.19	56	
Goodwill impairment related to the CEBs' energy service business in 2016	(0.04)	(12)	
Gain on sale of the CEBs' solar electric production project	—	(1)	
Enactment of the TCJA	(0.85)	(259)	
Net mark-to-market effects of the CEBs	0.01	2	
Total Adjusted (non-GAAP basis)	\$0.13	\$66	

a. Under the revenue decoupling mechanisms in the Utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the Utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

Consolidated Edison, Inc.

2017 Earnings Release Presentation

February 15, 2018



Available Information

On February 15, 2018, Consolidated Edison, Inc. issued a press release reporting its 2017 earnings and filed with the Securities and Exchange Commission the company's 2017 Form 10-K. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-K. Copies of the earnings press release and the Form 10-K are available at: www.conedison.com (select "For Investors" and then select "Press Releases" and "SEC Filings", respectively).

Forward-Looking Statements

This presentation contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports the company has filed with the Securities and Exchange Commission, including that the company's subsidiaries are extensively regulated and are subject to penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the intentional misconduct of employees or contractors could adversely affect it; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations; a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect it; it has substantial unfunded pension and other postretirement benefit liabilities; its ability to pay dividends or interest depends on dividends from its subsidiaries; it requires access to capital markets to satisfy funding requirements; changes to tax laws could adversely affect it; its strategies may not be effective to address changes in the external business environment; and it also faces other risks that are beyond its control.

Non-GAAP Financial Measure

This presentation also contains a financial measure, adjusted earnings, that is not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). This non-GAAP financial measure should not be considered as an alternative to net income, which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings excludes from net income the net mark-to-market changes in the fair value of the derivative instruments the subsidiaries of Con Edison Clean Energy Businesses, Inc. use to economically hedge market price fluctuations in related underlying physical transactions for the purchase or sale of electricity and gas. Adjusted earnings may also exclude from net income certain other items that the company does not consider indicative of its ongoing financial performance. Management uses this non-GAAP financial measure to facilitate the analysis of the company's financial performance as compared to its internal budgets and previous financial results. Management also uses this non-GAAP financial measure to communicate to investors and others the company's expectations regarding its future earnings and dividends on its common stock. Management believes that this non-GAAP financial measure is also useful and meaningful to investors to facilitate their analysis of the company's financial performance.

For more information, contact:

Jan Childress, Director, Investor Relations

Tel.: 212-460-6611, Email: childressj@coned.com

www.conEdison.com

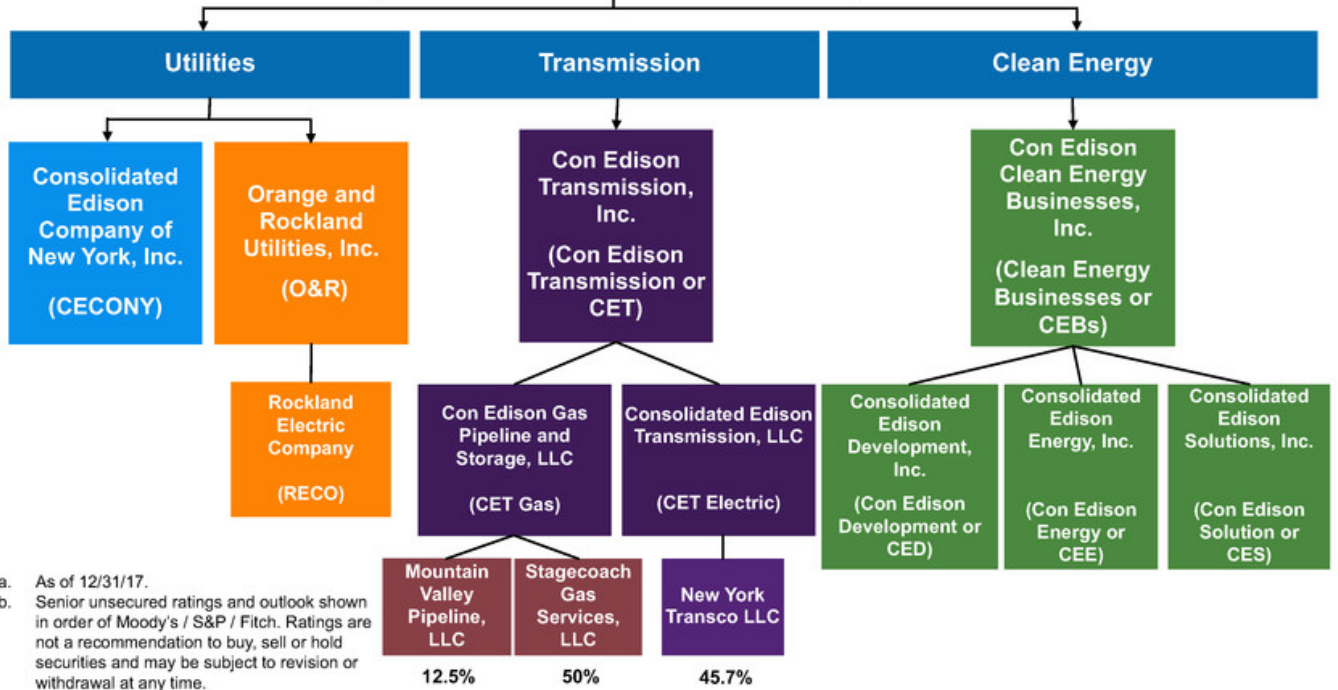
Table of Contents

	<u>Page</u>
Organizational Structure and Plan	4-5
Dividend and Earnings Announcements	6
4Q 2017 Earnings	7-10
4Q 2017 Developments	11-13
Tax Cuts and Jobs Act of 2017 (TCJA)	14-15
2017 Earnings	16-19
Five-Year Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)	20
Environmental, Social and Governance Highlights	21
CECONY Operations and Maintenance Expenses	22
Composition of Regulatory Rate Base	23
Average Rate Base Balances	24
Regulated Utility Rates of Return and Equity Ratio	25
Earnings Adjustment Mechanisms and Positive Incentives	26
Capital Expenditures and Utility Capital Expenditures	27-28
2017 Financing Activity	29
2018 Financing Plan	30
Capital Structure and Liquidity Profile	31-32
Utility Sales and Revenues	33-38
List of Notes to 2017 Form 10-K Financial Statements	39

Organizational Structure



Market Cap^(a): \$26.0 billion
 Ratings^(b): A3 / BBB+ / BBB+
 Outlook^(b): Negative / Stable / Stable



a. As of 12/31/17.
 b. Senior unsecured ratings and outlook shown in order of Moody's / S&P / Fitch. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The Con Edison Plan

Customer Focused

Provide safe and reliable service

Enhance the customer experience

Achieve operational excellence

Strategic

Strengthen core utility delivery business

Pursue additional regulated growth opportunities to add value in the evolving industry

Grow existing clean energy businesses and pursue additional clean energy growth opportunities consistent with our risk appetite

Value Oriented

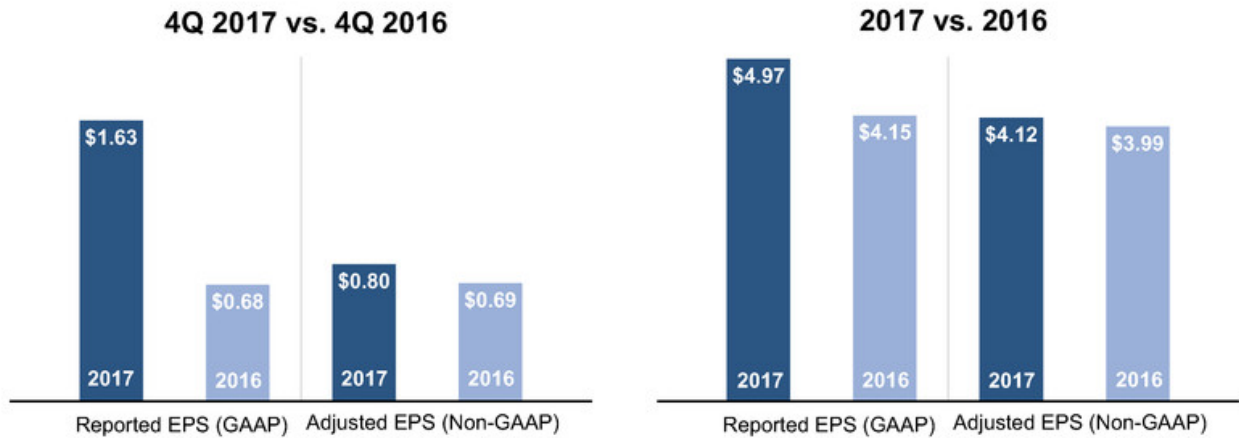
Provide steady, predictable earnings

Maintain balance sheet stability

Pay attractive, growing dividends

Dividend and Earnings Announcements

- On January 18, 2018, the company issued a press release reporting that the company had:
 - declared a quarterly dividend of 71.5 cents a share on its common stock -- an annualized increase of 10 cents over the previous annualized dividend of \$2.76 a share and its 44th consecutive annual increase;
 - indicated that the company expects to continue to pay its stockholders between 60% and 70% of its adjusted earnings.
- On February 15, 2018, the company issued a press release reporting its expected 2018 adjusted earnings per share to be in the range of \$4.15 to \$4.35.



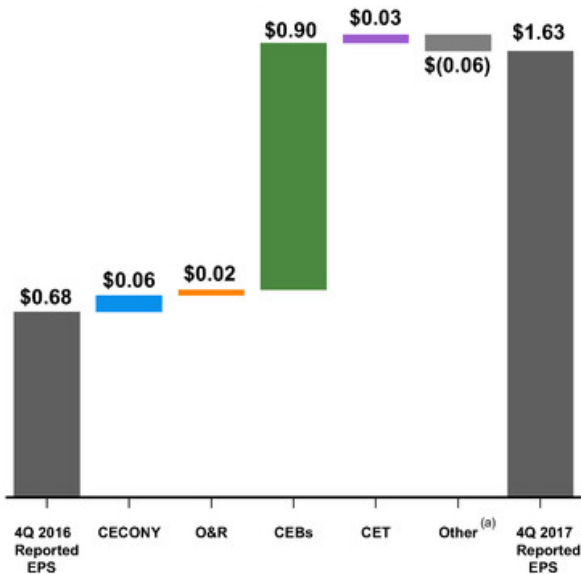
4Q 2017 Earnings

	Net Income (\$ in Millions)		Earnings per Share	
	2017	2016	2017	2016
Reported Net Income and EPS – GAAP basis	\$505	\$207	\$1.63	\$0.68
Gain on sale of the CEBs' retail electric supply business	—	(9)	—	(0.03)
Goodwill impairment related to the CEBs' energy service business	—	12	—	0.04
Enactment of the TCJA ^(a)	(259)	—	(0.84)	—
Net mark-to-market effects of the CEBs	1	1	0.01	—
Adjusted Earnings and Adjusted EPS – non-GAAP basis	\$247	\$211	\$0.80	\$0.69

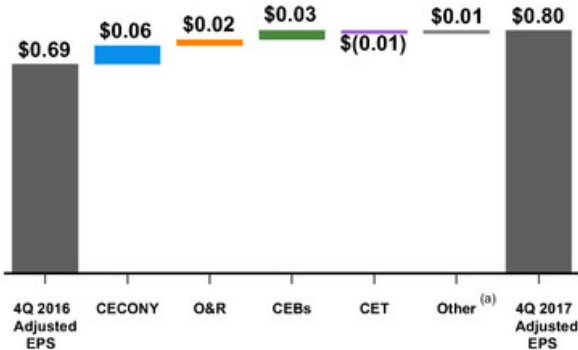
a. Reflects \$269 million (or \$0.87 a share), \$11 million (or \$0.04 a share) and \$(21) million (or \$(0.07) a share) for the CEBs, CET, and the parent company, respectively, resulting from the enactment of the federal Tax Cuts and Jobs Act of 2017 on December 22, 2017 (TCJA).

Walk from 4Q 2016 EPS to 4Q 2017 EPS

Variance in Reported EPS (GAAP)



Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

4Q 2017 vs. 4Q 2016 EPS Variances - Three Months Ended Variation

CECONY^(a)

Changes in rate plans and regulatory charges		
Timing of recognition of electric annual revenues	\$ 0.03	Reflects higher electric net base revenues resulting from the timing of recognition of annual revenues between quarters under the company's new electric rate plan.
Other rate plan changes	0.17	Reflects higher electric net base revenues of \$0.02 a share resulting from the increased base rates under the company's new electric rate plan, higher gas net base revenues of \$0.06 a share, growth in the number of gas customers of \$0.01 a share, incentives earned under the Earnings Adjustment Mechanisms of \$0.01 a share and the Energy Efficiency Portfolio Standard of \$0.04 a share, a property tax refund incentive of \$0.01 a share, and lower retention of Transmission Congestion Contract (TCC) auction proceeds of \$(0.01) a share.
Weather impact on steam revenues	0.01	
Operations and maintenance expenses	0.06	Reflects lower pension and other postretirement benefits costs of \$0.07 a share.
Depreciation, property taxes and other tax matters	(0.21)	Reflects higher depreciation and amortization expense of \$(0.05) a share, property taxes of \$(0.14) a share, and income taxes of \$(0.02) a share.
Other	—	Includes the dilutive effect of Con Edison's stock issuances.
Total CECONY	\$ 0.06	

O&R^(a)

Changes in rate plans and regulatory charges		
Other	—	Includes the dilutive effect of Con Edison's stock issuances.
Total O&R	\$ 0.02	

Clean Energy Businesses

Operating revenues less energy costs		
Operations and maintenance expenses	(0.20)	Reflects Upton 2 engineering, procurement and construction costs and higher energy service costs.
Depreciation	(0.02)	
Other	0.90	Includes the effect of the TCJA of \$0.87 a share and the dilutive effect of Con Edison's stock issuances. Also includes \$0.03 a share of net after-tax gain related to the sale of the retail electric supply business in 2016 and \$(0.04) a share of impairment of the energy service business in December 2016.
Total CEBs	\$ 0.90	

Con Edison Transmission

Total CET	\$ 0.03	Includes the effect of the TCJA of \$0.04 a share. Reflects income from equity investments and the dilutive effect of Con Edison's stock issuances.
------------------	----------------	---

Other

Parent company and consolidation adjustments	\$(0.06)	Includes the effect of the TCJA of \$(0.07) a share. Reflects higher state income tax benefits and the dilutive effect of Con Edison's stock issuances.
---	-----------------	---

Reported EPS (GAAP)	\$ 0.95
Gain on sale of the CEBs' retail electric supply business	0.03
Goodwill impairment related to the CEBs' energy service business in 2016	(0.04)
Enactment of the TCJA	(0.84)
Net mark-to-market effects of the CEBs	0.01

Adjusted EPS (non-GAAP)	\$ 0.11
--------------------------------	----------------

a. Under the revenue decoupling mechanisms in the utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

4Q 2017 vs. 4Q 2016 EPS Reconciliation by Company

3 months ending December 31, 2017

	CECONY	O&R	CEBs	CET	Other ^(a)	Total
Reported EPS – GAAP basis	\$0.71	\$0.03	\$0.90	\$0.06	(\$0.07)	\$1.63
Enactment of the TCJA	—	—	(0.87)	(0.04)	0.07	(0.84)
Net mark-to-market losses	—	—	0.01	—	—	0.01
Adjusted EPS – Non-GAAP basis	\$0.71	\$0.03	\$0.04	\$0.02	\$—	\$0.80

3 months ending December 31, 2016

	CECONY	O&R	CEBs	CET	Other ^(a)	Total
Reported EPS – GAAP basis	\$0.65	\$0.01	\$—	\$0.03	\$(0.01)	\$0.68
Gain on sale of the CEBs' retail electric supply business	—	—	(0.03)	—	—	(0.03)
Goodwill impairment related to the CEBs' energy service business	—	—	0.04	—	—	0.04
Adjusted EPS – Non-GAAP basis	\$0.65	\$0.01	\$0.01	\$0.03	\$(0.01)	\$0.69

a. Includes parent company and consolidation adjustments.

4Q 2017 Developments^(a)

Parent

- Net income reflects \$269 million or \$0.87 a share, \$11 million or \$0.04 a share, and \$(21) million or \$(0.07) a share for the Clean Energy Businesses, Con Edison Transmission, and the parent company, respectively, regarding the effect of the TCJA. See "Tax Cuts and Jobs Act of 2017," below. (pages 48, 140-141)

CECONY & O&R

- Upon enactment of the TCJA, the Utilities re-measured their deferred tax assets and liabilities based upon the 21% tax rate under the TCJA. As a result, CECONY, O&R and RECO, decreased their net deferred tax liabilities by \$4,781 million, \$216 million and \$45 million, respectively, decreased their regulatory asset for future income tax by \$1,182 million, \$51 million and \$17 million, respectively, decreased their regulatory asset for revenue taxes by \$86 million, \$4 million and \$0 million, respectively, and accrued regulatory liabilities for future income tax of \$3,513 million, \$161 million and \$28 million, respectively. (page 121)
- In August and November 2017, the NYSPSC issued orders in its proceeding investigating a subway power outage. NYSPSC Case 17-E-0428 – In The Matter of an Investigation into the April 21, 2017 Metropolitan Transportation Authority Subway Power Outage and Consolidated Edison Company of New York, Inc.'s Restoration Efforts.
 - The orders require CECONY to take certain actions relating to the electrical equipment that serves the subway system.
 - The company incurred costs related to this matter in 2017 of \$65 million. Included in this amount is \$15 million in capital and operating and maintenance costs reflected in the company's electric rate plan and \$50 million deferred as a regulatory asset pursuant to the rate plan.
 - The company, which plans to complete the required actions in 2018, expects to incur costs related to this matter in 2018 of \$137 million. Included in this amount is \$10 million in expected capital and operating and maintenance costs reflected in the rate plan and \$127 million expected to be deferred as a regulatory asset pursuant to the rate plan. (page 121)
- In January 2018, the NYSPSC initiated an audit of the income tax accounting of certain utilities, including CECONY and O&R. NYSPSC Case 18-M-0013 – In the Matter of a Focused Operations Audit to Investigate the Income Tax Accounting of Certain New York State Utilities. (page 121)
- In January 2018, O&R filed a request with the NYSPSC for electric and gas rate increases of \$20.3 million and \$4.5 million, respectively, reflecting a 9.75% return on equity effective January 2019. NYSPSC Case 18-E-0067/18-G-0068 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Electric/Gas Service. (pages 119-120)

a. Page references to 2017 Form 10-K.

4Q 2017 Developments^(a)

CECONY & O&R

- The Utilities' current and most recent previous five-year forecasts of average annual growth of the peak demand in their service areas at design conditions for 2018 – 2022 (pages 21, 24, 25, 26, 27)

	Electric	Gas	Steam
CECONY	0.1 percent	1.2 percent	(0.5) percent
O&R	0.0 percent	0.3 percent	

- The aggregate capacities of the distributed generation projects connected to the CECONY and O&R distribution systems at December 31, 2017 were 366 MW and 100 MW, respectively. The 2018 electric peak forecasts for CECONY and O&R are 13,300 MW and 1,620 MW, respectively. (pages 19, 21, 26)
- In November 2017, FERC approved a September 2017 settlement agreement among RECO, the New Jersey Division of Rate Counsel and the NJBPU that increases RECO's annual transmission revenue requirement from \$11.8 million to \$17.7 million, effective April 2017 (FERC Docket Nos. ER17-856-000/001). The revenue requirement reflects a return on common equity of 10.0 percent. (page 121)
- In November 2017, the NYISO completed its Deactivation Assessment of Indian Point. It concluded that over its ten year planning period, through 2027, there is no anticipated reliability need if the following three expected units finalize construction and enter service: Bayonne Energy Center II Uprate (Zone J, 120 MW); CPV Valley Energy Center (Zone G, 678 MW); and Cricket Valley Energy Center (Zone G, 1,020 MW). (page 22)

a. Page references to 2017 Form 10-K.

4Q 2017 Developments (*cont'd*)^(a)

Clean Energy Businesses

- In November 2017, Con Edison Development acquired a 25-MW wind project in Montana. (page 28)
- 1,561 MW (AC) of renewable energy production projects in service (1,358 MW) or under construction (203 MW). (page 28)
- 2,158 million of kWh generated from solar projects and 988 million of kWh generated from wind projects during 2017. (page 29)

Con Edison Transmission

- In November 2017, FERC approved an August 2017 settlement agreement regarding the NY Transco proposed transmission project that provides for a 10.65 percent return on common equity (subject to a cost containment mechanism) and a maximum common equity ratio of 53 percent. The proposed project is one of several bids in a competitive proceeding to select transmission projects that would relieve transmission congestion between upstate and downstate New York. (page 30)

a. Page references to 2017 Form 10-K.

Tax Cuts and Jobs Act of 2017 (TCJA)^(a)

CECONY & O&R

- TCJA expected to result in decreased cash flows from operating activities, and require increased cash flows from financing activities, for the Utilities as and when customers' rates are adjusted to reflect the reduction in tax rate
- Customer rates expected to be reduced to reflect the reduction in tax rate from 35% to 21%
 - The revenue requirement impact of the reduced tax rate for the period before customer rates are reduced will be deferred as a regulatory liability on which interest will accrue
 - This regulatory liability will be amortized as provided in each of the Utilities' next rate plans, unless prior to then the NYSPSC or NJBPU, as applicable, determines otherwise
 - Any regulatory liability remaining at the beginning of a next rate plan that is not used to offset a regulatory asset will reduce rate base, after which time the amortization of the regulatory liability will increase rate base
- Excess deferred income taxes of approximately \$3,700 million recorded as regulatory liability for benefit to customers
 - No change to rate base for amortization of \$2,700 million subject to the rate normalization requirements continued by TCJA because this portion is to be amortized over the same period as applied to the excess deferred tax liability to which it relates (i.e., remaining average lives of related assets)
 - No change to rate base for amortization of the remaining \$1,000 million unless NYSPSC or NJPBU, as applicable, require a shorter amortization period than the period that applied to the excess deferred tax liability to which it relates
- End of bonus depreciation for the Utilities (which was to be 40% in 2018 and 30% in 2019) will reduce deferred taxes and increase rate base
- Changes to rate base resulting from the TCJA will affect the Utilities' net income as and when the changes are reflected in each of the Utilities' next rate plans
- NYSPSC Case 17-M-0815 - Proceeding on Motion of the Commission on Changes in Law that May Affect Rates
 - NYSPSC staff recommendation due by March 27
 - Followed by 90-day comment period
 - Followed by NYSPSC decision
- NJBPU Docket No. AX1801001 - In the Matter of the Board's Consideration of the 2017 Tax Cuts and Jobs Act
 - Utility petitions due by March 2
 - NJBPU decision in June

a. See Other Regulatory Matters on pages 121, Note L - Income Taxes on pages 139-143 in the 2017 10-K.

Tax Cuts and Jobs Act of 2017 (cont'd)^(a)

Clean Energy Businesses

- Net income for 2017 includes \$269 million or \$0.88 a share from reduction in deferred income tax liabilities
- Full expensing of plant additions
- Interest expense fully deductible through 2021, but deductions will be limited in 2022 and beyond
- Continue to expect accumulated tax credits to be used

Con Edison Transmission

- Net income for 2017 includes \$11 million or \$0.04 a share from reduction in deferred income tax liabilities
- MACRS for plant additions
- Interest expense fully deductible

Parent

- Net income for 2017 includes \$(21) million or \$(0.07) a share from reduction in deferred income tax asset

a. See Other Regulatory Matters on pages 121, Note L - Income Taxes on pages 139-143 in the 2017 10-K.

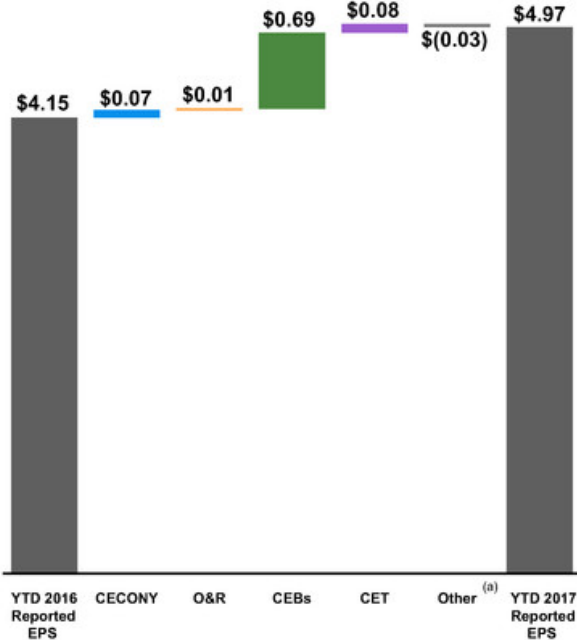
2017 Earnings

	Net Income (\$ in Millions)		Earnings per Share	
	2017	2016	2017	2016
Reported Net Income and EPS – GAAP basis	\$1,525	\$1,245	\$4.97	\$4.15
Gain on sale of the CEBs' retail electric supply business	—	(56)	—	(0.19)
Goodwill impairment related to the CEBs' energy service business	—	12	—	0.04
Enactment of the TCJA ^(a)	(259)	—	(0.85)	—
Gain on sale of the CEBs' solar electric production project	(1)	—	—	—
Net mark-to-market effects of the CEBs	(1)	(3)	—	(0.01)
Adjusted Earnings and Adjusted EPS – non-GAAP basis	\$1,264	\$1,198	\$4.12	\$3.99

a. Reflects \$269 million (or \$0.88 a share), \$11 million (or \$0.04 a share) and \$(21) million (or \$(0.07) a share) for the CEBs, CET, and the parent company, respectively, resulting from the enactment of TCJA.

Walk from 2016 EPS to 2017 EPS

Variance in Reported EPS (GAAP)



Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

2017 vs. 2016 EPS Variances - Year Ended Variation

CECONY^(a)		
Changes in rate plans and regulatory charges	\$ 0.47	Reflects higher electric net base revenues of \$0.10 a share resulting from the increased base rates under the company's new electric rate plan, higher gas net base revenues of \$0.21 a share, growth in the number of gas customers of \$0.05 a share, incentives earned under the Earnings Adjustment Mechanisms of \$0.03 a share and the Energy Efficiency Portfolio Standard of \$0.04 a share, a property tax refund incentive of \$0.01 a share, lower retention of TCC auction proceeds of \$(0.03) a share, and an increase to the regulatory reserve related to certain gas proceedings in 2016 of \$0.03 a share.
Weather impact on steam revenues	0.02	
Operations and maintenance expenses	0.30	Reflects lower pension and other postretirement benefits costs of \$0.29 a share.
Depreciation, property taxes and other tax matters	(0.57)	Reflects higher depreciation and amortization expense of \$(0.18) a share, property taxes of \$(0.27) a share, and income taxes of \$(0.12) a share.
Other	(0.15)	Includes the dilutive effect of Con Edison's stock issuances.
Total CECONY	\$ 0.07	
O&R^(a)		
Changes in rate plans and regulatory charges	0.06	Reflects higher electric and gas net base revenues of \$0.01 and \$0.04 a share, respectively.
Operations and maintenance expenses	(0.03)	Reflects higher pension costs.
Depreciation, property taxes and other tax matters	(0.03)	
Other	0.01	Includes the dilutive effect of Con Edison's stock issuances.
Total O&R	\$ 0.01	
Clean Energy Businesses		
Operating revenues less energy costs	0.33	Reflects revenues from the engineering, procurement and construction of Upton 2 and higher revenues from renewable electric production projects, lower revenues and energy costs resulting from the retail electric supply business that was sold in September 2016. Includes \$0.01 a share net after-tax mark-to market gains in 2016. Substantially all the mark-to-market effects in the 2016 periods were related to the retail electric business sold in September 2016.
Operations and maintenance expenses	(0.30)	Reflects Upton 2 engineering, procurement and construction costs and higher energy service costs.
Depreciation	(0.06)	
Net interest expense	(0.02)	
Other	0.74	Includes the effect of the TCJA of \$0.88 a share and the dilutive effect of Con Edison's stock issuances. Also includes \$0.19 a share of net after-tax gain related to the sale of the retail electric supply business in 2016 and \$(0.04) a share of impairment of the energy service business in December 2016.
Total CEBs	\$ 0.69	
Con Edison Transmission		
Total CET	\$ 0.08	Includes the effect of the TCJA of \$0.04 a share. Reflects income from equity investments and the dilutive effect of Con Edison's stock issuances.
Other		
Parent company and consolidation adjustments	\$(0.03)	Includes the effect of the TCJA of \$(0.07) a share. Reflects higher state income tax benefits and the dilutive effect of Con Edison's stock issuances.
Reported EPS (GAAP)	\$ 0.82	
Gain on sale of the CEBs' retail electric supply business	0.19	
Goodwill impairment related to the CEBs' energy service business in 2016	(0.04)	
Enactment of the TCJA	(0.85)	
Net mark-to-market effects of the CEBs	0.01	
Adjusted EPS (non-GAAP)	\$ 0.13	
a.	Under the revenue decoupling mechanisms in the utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.	

2017 vs. 2016 EPS Reconciliation by Company

For the year ended December 31, 2017

	CECONY	O&R	CEBs	CET ^(a)	Other ^(b)	Total
Reported EPS – GAAP basis	\$3.59	\$0.21	\$1.08	\$0.15	\$(0.06)	\$4.97
Enactment of the TCJA	—	—	(0.88)	(0.04)	0.07	(0.85)
Net mark-to-market gains	—	—	—	—	—	—
Adjusted EPS – Non-GAAP basis	\$3.59	\$0.21	\$0.20	\$0.11	\$0.01	\$4.12

For the year ended December 31, 2016

	CECONY	O&R	CEBs	CET ^(a)	Other ^(b)	Total
Reported EPS – GAAP basis	\$3.52	\$0.20	\$0.39	\$0.07	\$(0.03)	\$4.15
Gain on sale of the CEBs' retail electric supply business	—	—	(0.19)	—	—	(0.19)
Goodwill impairment related to the CEBs' energy service business	—	—	0.04	—	—	0.04
Net mark-to-market gains	—	—	(0.01)	—	—	(0.01)
Adjusted EPS – Non-GAAP basis	\$3.52	\$0.20	\$0.23	\$0.07	\$(0.03)	\$3.99

- a. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.
b. Includes parent company and consolidation adjustments.

Five-Year Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

12 Months Ending December 31,

	2013	2014	2015	2016	2017
Reported EPS – GAAP basis	\$3.62	\$3.73	\$4.07	\$4.15	\$4.97
Enactment of the TCJA ^(a)	-	-	-	-	(0.85)
Gain on sale of the CEBs' retail electric supply business	-	-	-	(0.19)	-
Goodwill impairment related to the CEBs' energy service business	-	-	-	0.04	-
Impairment of assets held for sale	-	-	0.01	-	-
Gain on sale of the CEBs' solar electric production projects	-	(0.09)	-	-	-
Loss from LIFO transactions	0.32	-	-	-	-
Net mark-to-market effects of the CEBs	(0.14)	0.25	-	(0.01)	-
Adjusted EPS – Non-GAAP basis	\$3.80	\$3.89	\$4.08	\$3.99	\$4.12

a. Reflects \$269 million (or \$0.88 a share), \$11 million (or \$0.04 a share) and \$(21) million (or \$(0.07) a share) for CEBs, CET, and parent company, respectively resulting from the enactment of TCJA.

Environmental, Social and Governance Highlights

50%

Reduction of carbon footprint since 2005

~1.6 GW

Current size of renewables portfolio

1.6 million

MWh of cumulative utility customer savings through energy efficiency since 2009

53%

Reduction in average days to repair gas leaks since 2014

CECONY 2017 Accomplishments Versus Goals

86 miles

Gas main replaced in 2017, exceeding goal of 80 miles

146

Gas leak repairs of the 150 highest methane emitters, exceeding goal of 140 repairs

280

Year-end gas leak backlog, achieving target of reducing leak backlog below 460

1.17

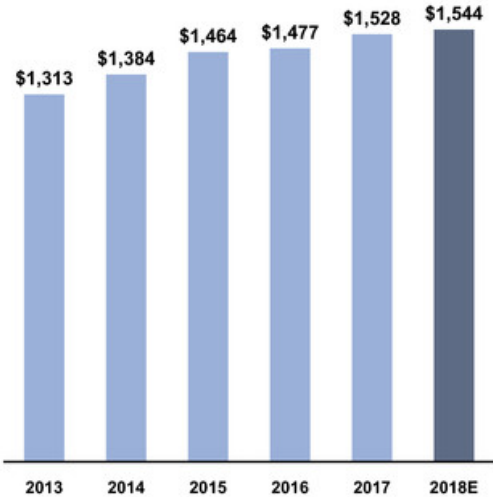
The lowest in our history, exceeding goal of OSHA injury and illness incidence rate of 1.20 per 200,000 hours worked

Con Edison's most recent annual sustainability report is accessible at: <https://www.conedison.com/ehs/2016-sustainability-report/index.html>. Additional information about the utilities' reduction of its methane emissions is accessible at: <http://investor.conedison.com/phoenix.zhtml?c=61493&p=irol-presentations>

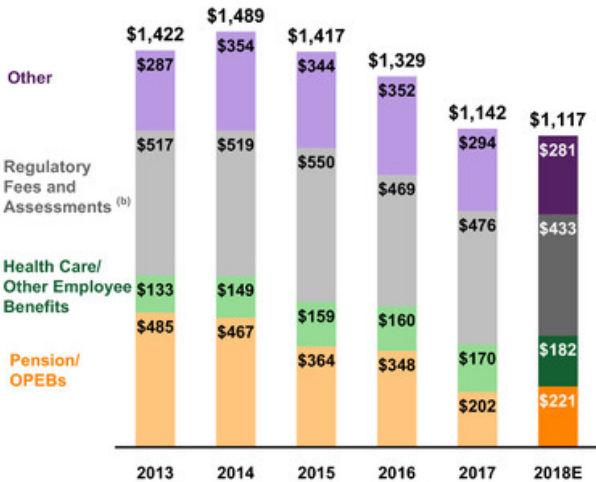
CECONY Operations and Maintenance Expenses

(\$ in millions)

Departmental



Other Expenses^(a)



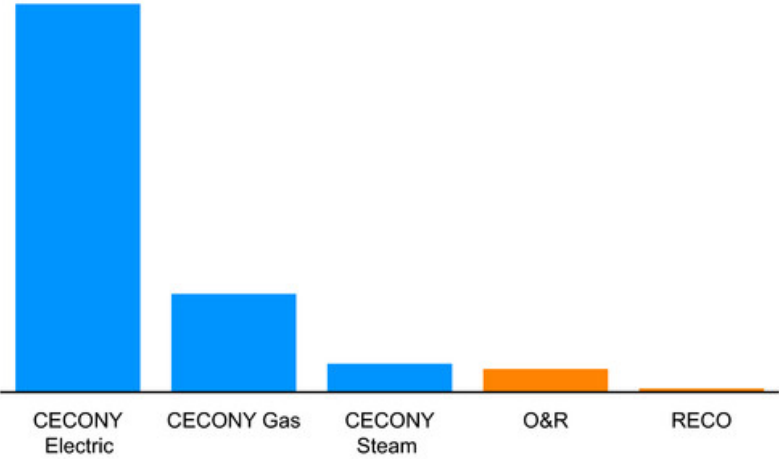
a. Other Expenses generally are either reconciled through amounts reflected in rates, or represent surcharges that are recovered in revenues from customers.
 b. Includes Demand Side Management, System Benefit Charges and Public Service Law 18A assessments which are collected in revenues.

Composition of Regulatory Rate Base^(a) (as of December 31, 2017)

CECONY		(\$ in millions)
Electric	NY	\$18,513
Gas	NY	4,723
Steam	NY	1,402
Total CECONY		\$24,638

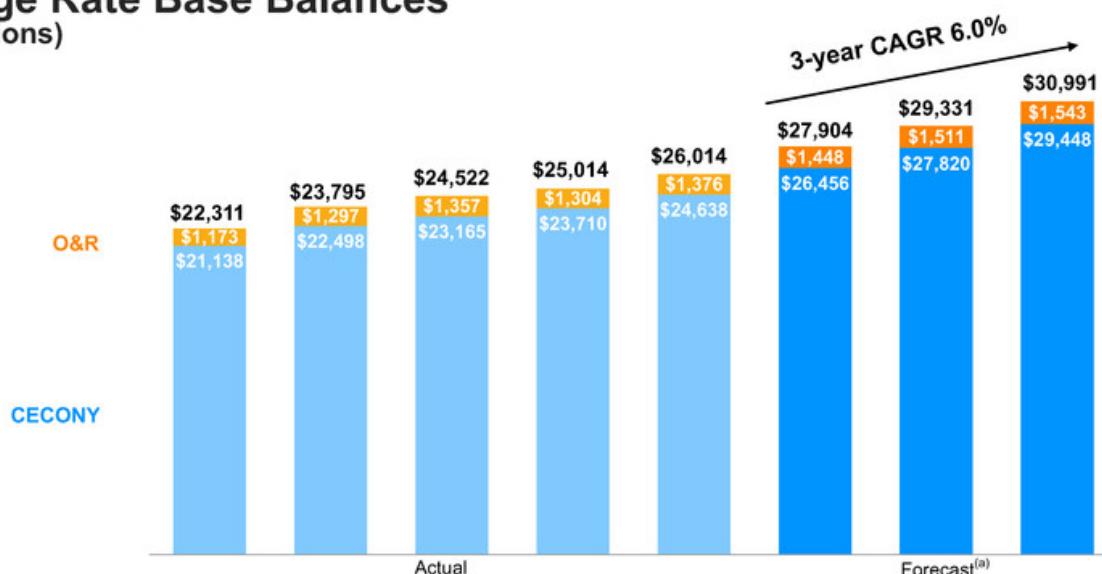
O&R		(\$ in millions)
O&R Electric	NY	\$759
O&R Gas	NY	392
RECO	NJ	225
Total O&R		\$1,376

Total Rate Base \$26,014



a. Average rate base for 12 months ended 12/31/2017.

Average Rate Base Balances (\$ in millions)



		2013	2014	2015	2016	2017	2018E	2019E	2020E
CECONY	Electric	\$ 16,235	\$ 17,403	\$ 17,599	\$ 17,971	\$ 18,513	\$ 19,530	\$ 20,277	\$ 21,569
	Gas	3,395	3,593	4,023	4,267	4,723	5,395	6,005	6,629
	Steam	1,508	1,502	1,543	1,472	1,402	1,531	1,538	1,250
O&R	Electric	633	726	769	731	759	792	814	821
	Gas	345	372	386	362	392	422	444	454
RECO	Electric	195	199	202	211	225	234	253	268

(a) Changes to rate base resulting from the TCJA will affect the Utilities' net income as and when the changes are reflected in each of the Utilities' next rate plans (assumed to be 2020 for CECONY; 2019 for O&R and RECO). Forecast for 2020 reflects, in addition to changes in net utility plant, estimated increase in average rate base due to decreased deferred taxes resulting from TCJA end of bonus depreciation for utilities and application of TCJA reduced tax rate to 2018 and 2019 temporary book/tax differences for CECONY, O&R and RECO of \$415 million, \$21 million and \$3.4 million, respectively. Forecast reflects no change in rate base from amortization of \$3,700 million regulatory liability for future income tax relating to excess deferred income taxes because amortization of entire regulatory liability over the same period that would have applied prior to TCJA is assumed. Also, forecast assumes no change in rate base relating to any regulatory liability for revenue requirement impact of reduced tax rate.

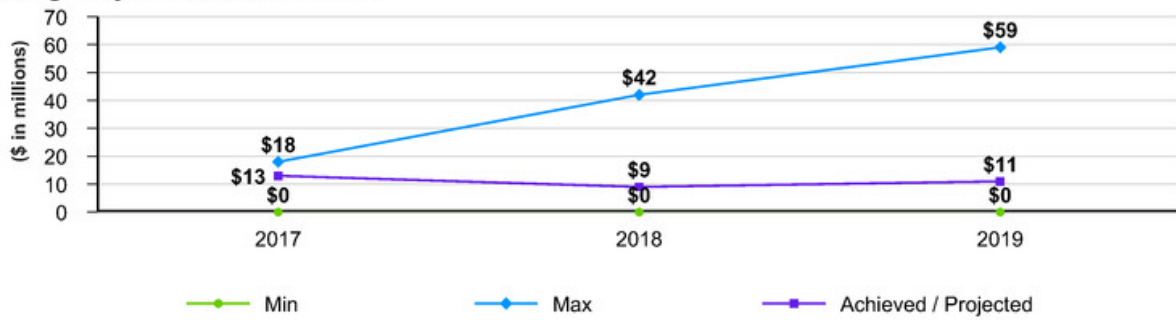
Regulated Utility Rates of Return and Equity Ratio (12 Months ended December 31, 2017)

	Regulated Basis	
	Allowed	Actual
CECONY		
Electric	9.0%	9.3%
Gas	9.0	9.2
Steam	9.3	9.5
Overall – CECONY	9.0 ^(a)	9.3
CECONY Equity Ratio	48.0%	48.4%
O&R		
Electric	9.0%	9.7%
Gas	9.0	9.7
RECO	9.6	8.2
Overall – O&R	9.1 ^(a)	9.5
O&R Equity Ratio	48.0%	49.4%

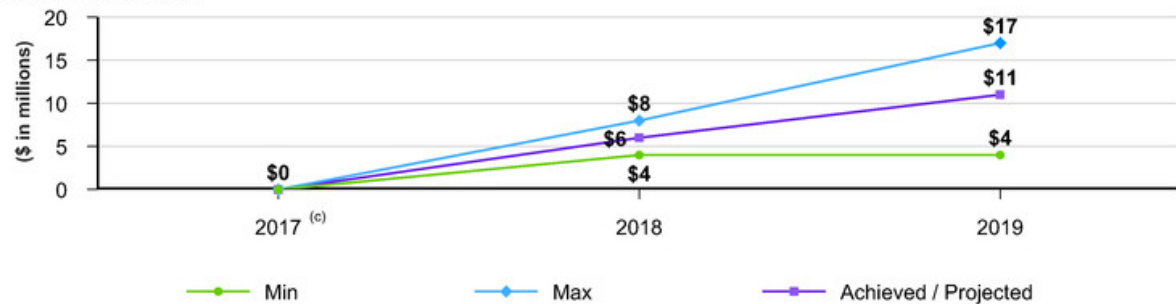
a. Weighted by rate base.

Earnings Adjustment Mechanisms and Positive Incentives

Earnings Adjustment Mechanisms



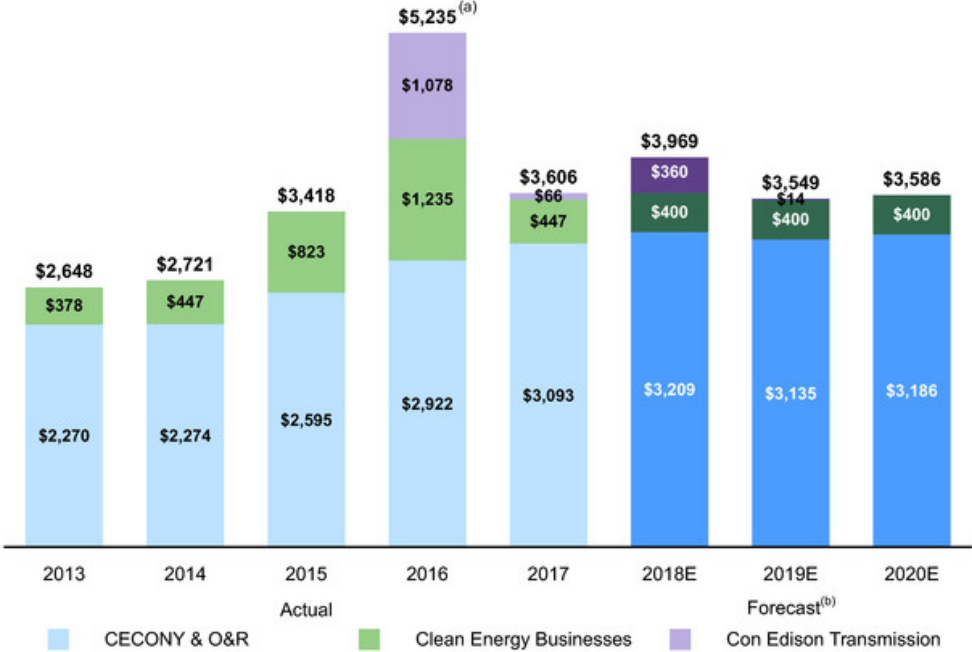
Positive Incentives^{(a) (b)}



- In 2017, CECONY achieved positive incentives of \$12 million, one third of which, pursuant to the accounting rules for alternative revenue recognition of the collection of such incentives under the rate plans (GAAP), will be recorded ratably from 2018 to 2020 and also reflected in the positive incentives projected, minimum and maximum amounts for the related period.
- Pursuant to GAAP, one third of the positive incentives achieved in 2018, if any, will be recorded ratably from 2018 to 2020 and also reflected in the positive incentives projected and maximum amounts for the related period. Two thirds and one third of the positive incentives achieved in 2019, if any, will be recorded in 2019 and 2020, respectively, and also reflected in the positive incentives projected and maximum amounts for the related period.
- Does not reflect negative earnings adjustment of \$5 million that CECONY recorded in 2017.

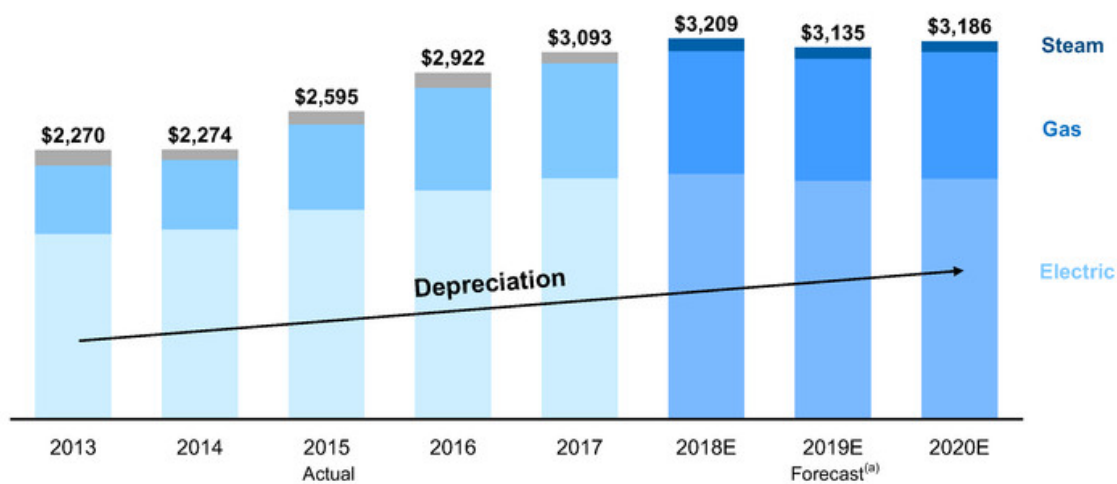
Capital Expenditures

(\$ in millions)



a. 2016 includes Stagecoach JV investment of \$974 million.
 b. 2017 Form 10-K, page 31.

Utility Capital Expenditures (\$ in millions)



	Annual CECONY Capital Expenditures				Annual O&R Capital Expenditures		
	Electric	Gas	Steam	Depreciation	Electric	Gas	Depreciation
2013	\$1,471	\$536	\$128	\$946	\$98	\$37	\$56
2014	1,500	549	83	991	105	37	61
2015	1,658	671	106	1,040	114	46	68
2016	1,819	811	126	1,106	114	52	67
2017	1,905	909	90	1,195	128	61	71
2018E	1,933	970	105	1,254	139	62	78
2019E	1,868	970	95	1,339	146	56	84
2020E	1,894	1,015	87	1,441	137	53	88

a. 2017 Form 10-K, page 31.

2017 Financing Activity

Equity financing activity:

- In August, CEI issued 4.1 million common shares resulting in net proceeds of \$343 million^(a)

Debt financing activity:

- In March, CEI issued \$400 million 2.00% debentures due 2020 and prepaid the \$400 million variable rate term loan that was set to mature in June 2018
- In March, CED Upton County Solar, a subsidiary of CED, issued \$97 million 4.45% senior secured notes due 2042
- In June, CECONY issued \$500 million 3.875% debentures due 2047
- In November, CECONY issued \$350 million 3.125% debentures due 2027 and \$350 million 4.00% debentures due 2057

Debt Maturities:

- No maturities in 2017, aside from amortizing debt principal payments

a. This is in addition to the equity issued through dividend reinvestment, employee stock purchase and long-term incentive plans.

2018 Financing Plan

Debt and Equity Financing Plan

- Capital expenditures of \$3,969 million (CECONY: \$3,008 million, the CEBs: \$400 million, O&R: \$201 million, CET: \$360 million)
- Issue between \$1,300 million and \$1,800 million of long-term debt at the Utilities
- Issue additional debt secured by the CEBs' renewable electric production projects
- Issue up to \$450 million of common equity in 2018 in addition to equity issued through dividend reinvestment, employee stock purchase and long-term incentives plans
- Financing plan does not reflect the provision to the Utilities' customers of any TCJA benefits that the NYSPSC and the NJBPU may require to be provided

Debt Maturities

(\$ in millions)	2018	2019	2020	2021	2022
Con Edison, Inc. [parent company]	\$2	\$3	\$402	\$503	\$294
CECONY	1,200	475	350	—	—
O&R	55	62	—	—	—
CEBs	41	38	39	41	41
Total	\$1,298	\$578	\$791	\$544	\$335

Capital Structure – December 31, 2017

(\$ in millions)

Consolidated Edison, Inc. A3 / BBB+ / BBB+

Debt	\$ 16,029	51%
Equity	15,425	49
Total	\$ 31,454	100%

CECONY A2 / A- / A-

Debt	\$ 13,265	52%
Equity	12,439	48
Total	\$ 25,704	100%

O&R A3 / A- / A-

Debt	\$ 662	50%
Equity	665	50
Total	\$ 1,327	100%

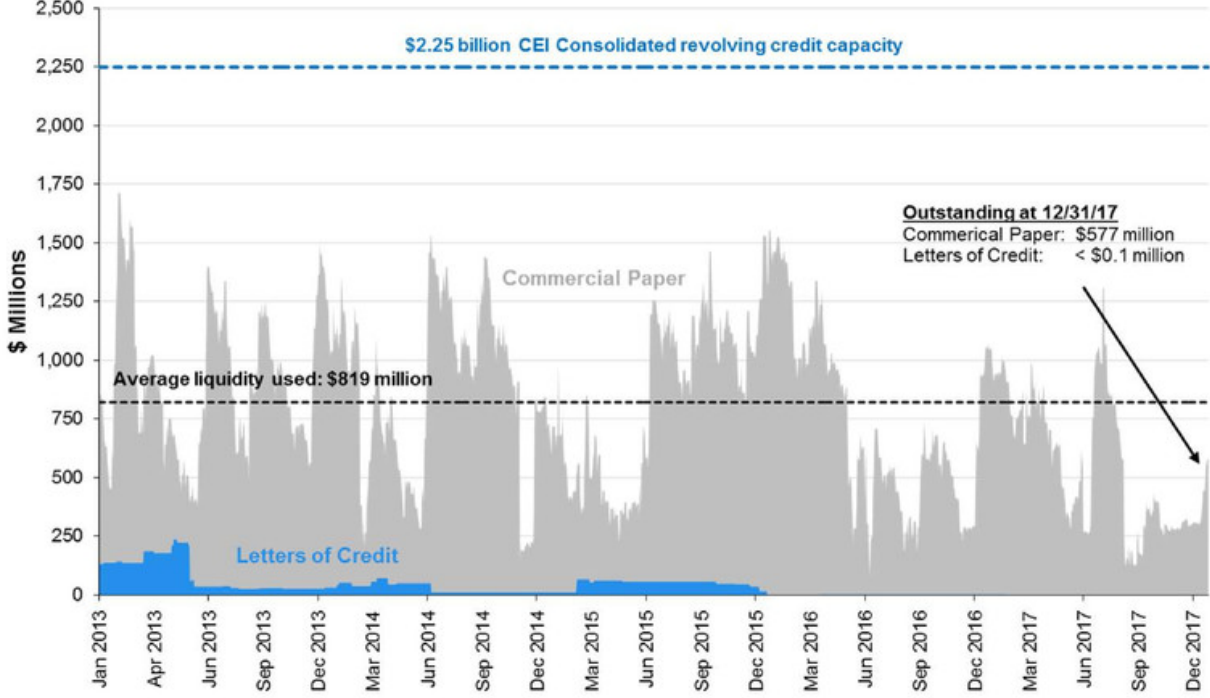
Parent and Other

Debt	\$ 2,102	48%
Equity	2,322	52
Total	\$ 4,424	100%

Amounts shown exclude notes payable and include the current portion of long-term debt. Senior unsecured credit ratings shown in order of Moody's / S&P / Fitch. Moody's ratings have negative outlooks and S&P and Fitch ratings have stable outlooks.

Liquidity Profile

(\$ in millions)



Utility Sales and Revenues – Fourth Quarter and Full Year

The changes in the energy delivered by the company's utility subsidiaries, both for actual amounts and as adjusted for variations in weather and billing days, for the three months and year ended December 31, 2017 (expressed as a percentage of 2016 amounts):

	Fourth Quarter Variation 2017 vs. 2016		Year-to-Date Variation 2017 vs. 2016	
	Actual	Adjusted	Actual	Adjusted
CECONY				
Electric	1.0	(1.7)	(2.5)	(1.1)
Firm – Gas	1.9	4.6	6.9	5.9
Steam	(0.4)	(4.9)	(2.8)	(3.8)
O&R				
Electric	(1.2)	(2.3)	(5.6)	(2.2)
Firm – Gas	5.9	(3.6)	1.2	(0.8)

Utility Sales and Revenues – Electric Fourth Quarter

(\$ in millions)

<u>Electric – 4th Quarter</u>	<u>Millions of Kilowatt-hours</u>		<u>Revenues in Millions</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Con Edison of New York				
Residential and Religious	2,348	2,270	\$590	\$573
Commercial and Industrial	2,280	2,209	429	422
Retail choice customers	6,389	6,409	621	654
Public Authorities	12	13	2	2
NYPA, Municipal Agency and other sales	2,452	2,449	148	144
Total Sales	13,481	13,350	\$1,790	\$1,795
Orange and Rockland				
Residential and Religious	359	347	\$69	\$64
Commercial and Industrial	189	195	25	25
Retail choice customers	721	746	46	47
Public Authorities	26	24	2	2
Total Sales	1,295	1,312	\$142	\$138
Regulated Utility Sales & Revenues				
Residential and Religious	2,707	2,617	\$659	\$637
Commercial and Industrial	2,469	2,404	454	447
Retail choice customers	7,110	7,155	667	701
Public Authorities	38	37	4	4
NYPA, Municipal Agency and other sales	2,452	2,449	148	144
Total Sales	14,776	14,662	\$1,932	\$1,933

Utility Sales and Revenues – Electric Full Year (\$ in millions)

Electric – Full Year	Millions of Kilowatt-hours		Revenues in Millions	
	2017	2016	2017	2016
Con Edison of New York				
Residential and Religious	9,924	10,400	\$2,515	\$2,591
Commercial and Industrial	9,246	9,429	1,823	1,803
Retail choice customers	26,136	26,813	2,712	2,768
Public Authorities	56	55	11	10
NYPA, Municipal Agency and other sales	9,956	10,048	622	610
Total Sales	55,318	56,745	\$7,683	\$7,782
Orange and Rockland				
Residential and Religious	1,567	1,654	\$311	\$304
Commercial and Industrial	763	801	113	114
Retail choice customers	2,976	3,180	201	213
Public Authorities	105	100	9	8
Total Sales	5,411	5,735	\$634	\$639
Regulated Utility Sales & Revenues				
Residential and Religious	11,491	12,054	\$2,826	\$2,895
Commercial and Industrial	10,009	10,230	1,936	1,917
Retail choice customers	29,112	29,993	2,913	2,981
Public Authorities	161	155	20	18
NYPA, Municipal Agency and other sales	9,956	10,048	622	610
Total Sales	60,729	62,480	\$8,317	\$8,421

Utility Sales and Revenues – Gas Fourth Quarter

(\$ in millions)

Gas – 4th Quarter	Thousands of Dekatherms		Revenues in Millions	
	2017	2016	2017	2016
Con Edison of New York				
Residential	12,356	12,138	\$189	\$161
General	7,408	7,227	79	65
Firm Transportation	17,401	17,109	134	95
Total Firm Sales and Transportation	37,165	36,474	402	321
Interruptible Sales	1,027	1,370	5	5
Transportation of Customer Owned Gas	24,172	32,795	14	14
Total Sales	62,364	70,639	\$421	\$340
Off-system Sales	8	—	—	—
Orange and Rockland				
Residential	2,739	2,606	\$36	\$29
General	737	627	8	5
Firm Transportation	3,330	3,193	24	21
Total Firm Sales and Transportation	6,806	6,426	68	55
Interruptible Sales	805	833	2	—
Transportation of Customer Owned Gas	309	288	—	—
Total Sales	7,920	7,547	\$70	\$55
Off-system Sales	1	—	—	—
Regulated Utility Sales & Revenues				
Residential	15,095	14,744	\$225	\$190
General	8,145	7,854	87	70
Firm Transportation	20,731	20,302	158	116
Total Firm Sales and Transportation	43,971	42,900	470	376
Interruptible Sales	1,832	2,203	7	5
Transportation of Customer Owned Gas	24,481	33,083	14	14
Total Sales	70,284	78,186	\$491	\$395
Off-system Sales	9	—	—	—

Utility Sales and Revenues – Gas Full Year (\$ in millions)

Gas – Full Year	Thousands of Dekatherms		Revenues in Millions	
	2017	2016	2017	2016
Con Edison of New York				
Residential	52,244	47,794	\$802	\$667
General	30,761	28,098	334	266
Firm Transportation	71,353	68,442	524	426
Total Firm Sales and Transportation	154,358	144,334	1,660	1,359
Interruptible Sales	7,553	8,957	35	34
Transportation of Customer Owned Gas	120,150	152,101	58	59
Total Sales	282,061	305,392	\$1,753	\$1,452
Off-system Sales	55	—	—	—
Orange and Rockland				
Residential	8,296	7,872	\$115	\$84
General	2,184	1,851	24	15
Firm Transportation	9,873	10,381	74	70
Total Firm Sales and Transportation	20,353	20,104	213	169
Interruptible Sales	3,771	3,853	7	3
Transportation of Customer Owned Gas	905	885	1	—
Total Sales	25,029	24,842	\$221	\$172
Off-system Sales	6	—	—	—
Regulated Utility Sales & Revenues				
Residential	60,540	55,666	\$917	\$751
General	32,945	29,949	358	281
Firm Transportation	81,226	78,823	598	496
Total Firm Sales and Transportation	174,711	164,438	1,873	1,528
Interruptible Sales	11,324	12,810	42	37
Transportation of Customer Owned Gas	121,055	152,986	59	59
Total Sales	307,090	330,234	\$1,974	\$1,624
Off-system Sales	61	—	—	—

Utility Sales and Revenues – Steam Fourth Quarter and Year-to-Date (\$ in millions)

Steam – 4th Quarter				
	Millions of Pounds		Revenues in Millions	
	2017	2016	2017	2016
Con Edison of New York				
General	126	121	\$6	\$6
Apartment House	1,505	1,541	39	40
Annual Power	3,093	3,082	93	94
Total Sales	4,724	4,744	\$138	\$140

Steam – Year-to-Date				
	Millions of Pounds		Revenues in Millions	
	2017	2016	2017	2016
Con Edison of New York				
General	490	465	\$26	\$23
Apartment House	5,754	5,792	158	148
Annual Power	13,166	13,722	392	378
Total Sales	19,410	19,979	\$576	\$549

List of Notes to 2017 Form 10K Financial Statements

	<u>Page</u>
A – Summary of Significant Accounting Policies	106 - 112
B – Regulatory Matters	112 - 123
C – Capitalization	123 - 124
D – Short-Term Borrowing	125
E – Pension Benefits	125 - 130
F – Other Postretirement Benefits	130 - 134
G – Environmental Matters	134 - 135
H – Other Material Contingencies	136 - 137
I – Electricity Purchase Agreements	137 - 138
J – Leases	138
K – Goodwill and Other Intangible Assets	138 - 139
L – Income Tax	139 - 143
M – Stock-Based Compensation	143 - 145
N – Financial Information by Business Segment	145 - 147
O – Derivative Instruments and Hedging Activities	147 - 150
P – Fair Value Measurements	150 - 152
Q – Variable Interest Entities	153 - 154
R – Asset Retirement Obligations	154 - 155
S – Related Party Transactions	155
T – New Financial Accounting Standards	155 - 157
U – Acquisitions, Investments and Dispositions	158 - 159

